

November 11, 2015

VIA ECFS

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW, Room TW-A325
Washington, DC 20554

Re: *Petition of USTelecom for Forbearance Under 47 U.S.C. § 160(c), WC Docket No. 14-192; Petition for Declaratory Ruling of Granite Telecommunications, LLC, WC Docket No. 15-114*

Dear Ms. Dortch:

On behalf of Granite Telecommunications, LLC (“Granite”), this letter quantifies the harms that would result from the elimination of the critically important regulatory backstop provided by (1) the Bell Operating Companies’ (“BOCs”) obligation to provide unbundled network elements (“UNEs”) pursuant to Section 271(c)(2)(B) of the Communications Act (“Act”) and (2) incumbent LECs’ obligation to provide 64 Kbps UNE loops pursuant to Section 251(c)(3) of the Act and Section 51.319 of the Commission’s rules (together, the “Regulatory Backstop”).

Wholesale voice agreements with incumbent LECs are the only viable means by which Granite can meet the demands of its multi-location business customers, which include 86 of the Fortune 100 companies.¹ Granite is able to negotiate viable wholesale voice agreements with BOCs because the Regulatory Backstop limits the extent to which the BOCs can exercise their market power over wholesale business voice services. If the Regulatory Backstop were eliminated, as USTelecom has argued it should be in the above-referenced forbearance proceeding, Granite would be forced to purchase almost all of the business exchange lines it requires from BOCs on a resale basis pursuant to Section 251(c)(4) of the Act.² Such a business

¹ Letter from Thomas Jones, Counsel for Granite Telecommunications, LLC, to Marlene H. Dortch, Secretary, FCC, GN Docket Nos. 13-5, 12-353, WC Docket Nos. 14-192, 04-36, Attach. at 1 (filed June 3, 2015).

² Letter from Michael Galvin, General Counsel, Granite Telecommunications, LLC, to Marlene H. Dortch, Secretary, FCC, GN Docket Nos. 13-5, 12-353, WC Docket Nos. 15-114, 14-192, Decl. of Jorge DeJesus ¶ 4 (filed Oct. 23, 2015).

model would not be sustainable,³ and Granite would cease to be able to serve the 1.1 million lines it serves today pursuant to wholesale voice agreements. Moreover, Granite would not be able to profitably serve the additional 300,000 lines it serves pursuant to resale arrangements that “fill in” where wholesale lines are not available.

Were Granite and other competitive LECs to be foreclosed from offering services provisioned with incumbent LEC wholesale lines, significant consumer welfare loss – estimated at between \$4.443 billion and \$10.168 billion⁴ – would result, and insufficient competitive alternatives are available to ameliorate this harm. In Granite’s case, 85 percent of customer locations likely would have access only to monopoly incumbent LEC services because those locations do not have access to cable-provided business services without the need for construction to extend the cable network.⁵

In light of the foregoing, the Commission should deny the above-referenced USTelecom petition for forbearance to the extent it seeks the elimination of these key requirements, and should grant the above-referenced Granite petition for declaratory ruling at the same time.

Please do not hesitate to contact me if you have any questions or concerns regarding this submission.

Respectfully submitted,

/s/ Thomas Jones
Counsel for Granite Telecommunications, LLC

cc: Madeleine Findley
Randy Clarke

³ *Id.* ¶ 5.

⁴ Letter from Michael Galvin, General Counsel, Granite Telecommunications, LLC, to Marlene H. Dortch, Secretary, FCC, GN Docket Nos. 13-5, 12-353, WC Docket Nos. 15-114, 14-192, attaching Charles River Associates Letter at 5-6 (filed June 12, 2015).

⁵ Letter from Thomas Jones, Counsel for Granite Telecommunications, LLC, to Marlene H. Dortch, Secretary, FCC, GN Docket Nos. 13-5, 12-353, WC Docket Nos. 14-192, 04-36, Attach. at 6 (filed June 3, 2015).